



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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June 25, 2015

TO: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly *Joseph Kelly*
Treasurer and Tax Collector

SUBJECT: **REDEVELOPMENT BOND REFUNDING PROGRAM ACHIEVES \$63 MILLION
OF NEW REVENUE FOR LOCAL TAXING ENTITIES**

On June 23, 2015, my office successfully priced \$156 million of tax allocation revenue refunding bonds on behalf of the former redevelopment agency of the City of Long Beach. The bond sale was approved by your Board on June 2, 2015, and represents the sixth installment of refunding bonds issued under the County's Redevelopment Bond Refunding Program (the "County Program"). The refunding bonds were sold at an average borrowing cost of 3.98% and produced more than \$63 million of gross debt service savings.

The County Program was established by my Department in early 2013 and has since refunded close to \$620 million of tax allocation bonds on behalf of nine former redevelopment agencies. Cumulative debt service savings under the County Program are now in excess of \$166 million and will be realized over the life of the various refunding bonds. These savings will reduce future claims on tax increment and provide increased property tax revenue to those local agencies that receive a share of the ad valorem property tax. The County and its special districts are a principal beneficiary of the debt service savings and can be expected to receive approximately 30% (or \$50 million) of the additional property tax revenue. The County General Fund alone should receive in excess of \$40 million of future property tax revenue as a result of the County Program.

Should you have any questions regarding either the County Program or this week's bond sale, please contact me directly or your staff may contact Doug Baron, Operations Chief, at 974-8359 or dbaron@ttc.lacounty.gov.

JK:DB:LS:pab
Pb/brdmemo/6.2015refunding

c: Interim Chief Executive Officer
Auditor-Controller
Interim County Counsel
Acting Executive Officer, Board of Supervisors